

## Message Text

CONFIDENTIAL

PAGE 01 STATE 213262

64

ORIGIN EUR-25

INFO OCT-01 ISO-00 SS-20 COME-00 EB-11 INT-08 FEA-02 AGR-20

TAR-02 SP-03 AID-20 NSC-07 RSC-01 CIEP-03 TRSE-00

STR-08 OMB-01 CEA-02 L-03 H-03 CIAE-00 FRB-03 INR-11

NSAE-00 XMB-07 OPIC-12 PA-04 PRS-01 USIA-15 /193 R

DRAFTED BY EUR/EE:NGANDREWS/LVA

APPROVED BY D:ROBERT W. DUEMLING

EUR:JAARMITAGE

COMM:RSEVERANCE (INFO)

S/S - MR. LUERS

C -- WTSINN

EB - MR. KATZ

-

----- 041350

R 271400Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY SOFIA

C O N F I D E N T I A L STATE 213262

E.O. 11652: GDS

TAGS: PFOR, OVIP, BU

SUBJECT: US-BULGARIAN RELATIONS

1. SUMMARY. DURING MEETING IN STATE, DEPUTY PREMIER POPOV EMPHASIZED BULGARIA'S INABILITY TO INCREASE EXPORTS AS MUCH AS IT WOULD LIKE IN ORDER TO PAY FOR IMPORTS BECAUSE OF LACK OF MFN. HE SAID BULGARIA WAS READY TO SPEND TWO BILLION DOLLARS PER YEAR DURING NEXT FIVE-YEAR PLAN TO PURCHASE EQUIPMENT AND MACHINERY FOR LARGE-SCALE INDUSTRIAL PRODUCTS. PURCHASES IN US WOULD LARGELY DEPEND ON PRIVATE OR STATE CREDITS. POPOV ALSO SAID BULGARIANS WERE INTERESTED IN OPENING COMMERCIAL OFFICES IN CHICAGO AND CALIFORNIA. NOTING THAT BILATERAL RELATIONS WERE IMPROVING, POPOV INQUIRED ABOUT A REPLY TO THE INVITATION TO THE SECRETARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 213262

TO VISIT BULGARIA. DEPARTMENT OF COMMERCE WILL FORWARD

SEPARATE REPORT. END SUMMARY.

2. IN CONVERSATION WITH DEPUTY SECRETARY, POPOV STRESSED RAPID ECONOMIC DEVELOPMENT WITHOUT EXCESSIVE INDEBTEDNESS TO FOREIGN COUNTRIES. HE SAID NEXT BULGARIAN FIVE-YEAR PLAN WOULD INCLUDE CONSTRUCTION OF HUGE PROJECTS RELATED TO OIL PRODUCTION, FERROUS METALLURGY, CHEMICALS, OIL SHALE, AND AGRICULTURAL MACHINERY. SOME TWO OR TWO AND ONE-HALF BILLION DOLLARS PER YEAR IS TO BE SPENT ON PURCHASING EQUIPMENT IN THE WEST. THIS KIND OF ECONOMIC DEVELOPMENT

REQUIRES EITHER PRIVATE OR STATE LONG-TERM CREDITS. THE DEPUTY SECRETARY DID NOT SPECIFICALLY REPLY TO THE QUESTION OF CREDITS.

3. POPOV SAID US TARIFFS DISCRIMINATED AGAINST BULGARIAN GOODS AND MADE IT PRACTICALLY IMPOSSIBLE FOR BULGARIA TO INCREASE ITS EXPORTS SO AS TO PAY FOR DESIRED IMPORTS FROM THE US. RE THE QUESTION OF MFN STATUS, BASIC TO BULGARIAN TRADE WITH THE US, THE DEPUTY SECRETARY SAID HE WAS AWARE OF THE IMPORTANCE OF MFN IN BILATERAL TRADE AND SUPPOSED THE BULGARIANS WERE INFORMED OF THE SITUATION IN CONGRESS.

4. POPOV REFERRED TO A BULGARIAN INVITATION TO THE SECRETARY TO VISIT BULGARIA AND SAID BULGARIANS WOULD BE SLIGHTLY BITTER IF HE VISITED NEIGHBORING COUNTRIES BUT NOT BULGARIA. THE DEPUTY SECRETARY SAID THAT EVERY COUNTRY IN THE AREA THE SECRETARY IS VISITING WOULD LIKE HIM TO VISIT.

5. POPOV SAID HE CARRIED A MESSAGE FROM ZHIVKOV TO THE PRESIDENT WHICH HE WOULD BE PLEASED TO DELIVER IN PERSON. THE DEPUTY SECRETARY SAID THE MATTER HAS BEEN PUT TO THE WHITE HOUSE.

6. POPOV ALSO DISCUSSED INCREASING CONTACTS WITH US FIRMS CONCERNING POSSIBLE JOINT PRODUCTION WITHOUT ANY US PARTICIPATION IN OWNERSHIP.

7. IN A SEPARATE MEETING, ASSISTANT SECRETARY ENDERS TOLD  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 213262

FIRST DEPUTY FOREIGN TRADE MINSITER LUKANOV THAT CHANCES FOR TRADE BILL WERE BETTER THAN EVEN. BILL WOULD PROBABLY NOT BE PASSED BEFORE MID-OCTOBER RECESS BUT IT WOULD BE TOP PRIORITY IN ANTICIPATED RESUMED SESSION OF CONGRESS AFTER ELECTIONS. IN OUR VIEW, ODDS ARE THAT WE WOULD HAVE TRADE LEGISLATION BY THE END OF THE YEAR. BILL WILL CONTAIN AUTHORIZATION TO NEGOTIATE TRADE AGREEMENTS, INCLUDING MFN. WE HAVE LONG-STANDING ENGAGEMENTS TOWARDS THE SOVIET

UNION AND ROMANIA. THESE NEGOTIATIONS ARE EXPECTED TO BE SUBSTANTIAL AND TIME-CONSUMING. THESE TWO COUNTRIES WILL BE AT THE TOP OF THE NEGOTIATING SCENARIO. WHAT THIS MEANS IS THAT WE SHOULD EXPLORE MORE FULLY THE OPPORTUNITIES FOR THE EXPANSION OF TRADE UNDER EXISTING CONDITIONS.

8. LUKANOV STRESSED THAT FROM VIEWPOINT OF POLITICAL AND ECONOMIC CIRCUMSTANCES IN BULGARIA PRESENT MOMENT WAS TIMELY FOR MOVING AHEAD. OWING TO SUBSTANTIAL PLANNED EXPENDITURES FOR FIVE-YEAR PLAN, QUESTION OF CREDITS WAS MORE IMPORTANT THAN TRADE (I.E. MFN) BECAUSE DECISIONS WOULD BE MADE DURING FIRST HALF OF NEXT YEAR. LUKANOV

ALSO EXPRESSED APPRECIATION FOR US TRADE PROMOTION EFFORTS AND PRAISED US EXHIBIT AT PLOVDIV FAIR.

9. SIGNING OF AGREEMENT BETWEEN BULGARIAN CHAMBER OF COMMERCE AND INDUSTRY AND US CHAMBER OF COMMERCE TOOK PLACE SEPTEMBER 24, IN CORDIAL ATMOSPHERE. KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MFN, DIPLOMATIC DISCUSSIONS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE213262  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** NGANDREWS/LVA  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740273-0673  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974097/aaaaafpm.tel  
**Line Count:** 134  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 APR 2002 by boyleja>; APPROVED <03 JUL 2002 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-BULGARIAN RELATIONS  
**TAGS:** PFOR, OVIP, ETRD, BU, US  
**To:** SOFIA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005